(c) to (f) UCO Bank has reported that it has been setting ambitious targets with a view to bringing about a singificant improvement in its operations. There were some shortfalls in relation to these targets in deposit mobilisation. However, there has been consistent improvement in the percentage increase of deposits. Targets and the actuals of deposits (excluding bank deposits and certificats of deposit) for the last three years are as indicated below:

(Rs. in Crores)

Year	Target	Actual	%Age Growth Over Previous Year
1995-96 (Last Friday)	9000	8998	21.04
1996-97 (last Friday)	10150	10109	12.35
1997-98 (last Friday)	12130	11816	16.89

Based on the understanding reached with the unions and associations, the bank has prepared a Strategic Revival Plan (SRP) and geared up its machinery to improve all aspects of its functining.

Vasudev Panel Reports on NBFCs

232. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state:

(a) whether Vasudev Panel on Non-Banking Financial Companies (NBFCs) has submitted its report and recommendations to Government;

(b) if so, the details thereof;

(c) what is the reaction of Government thereto and action taken/proposed to be taken thereon;

(d) the break up of sick NBFCs Statewise and the details of action taken to safeguard the interests of investors;

(e) the details of NBFCs which have committed financial fraud, irregularities on deposits and action taken against them and the steps taken to monitor closely the operations of NBFCs; and

(f) the names of fraudulent NBFCs operating in Maharashtra and number of small investors affected and action taken to protect their interests?

THE MINISTER OF STATE IN MINISTRY OF FINANCE BANKING RECUME AND INSURANCE (SHRI KADAMBUR M.R. JANARDHANAN): (a) to (c) The Task Force on Non Banking Finance Companies (NBFCs) headed by Special Secretary (Banking) has submitted its report to Government in October, 1998. Copies of the report have been placed in the Parliament Library.

A summary of the recommendations is in the Annexure. *(See Appendix 185. Annexure No.6)*

The recommendations of the Task Force form a valuable input into the ongoing process of strengthening the regulatory framework with a view to enable the healthy growth of the NBFC sector while providing a measure of protection to depositors.

(d) A State-wise break-up of problem NBFCs in whose cases prohibitory orders have been issued by Reserve Bank of India (RBI) upto October 31, 1998 prohibiting them from accepting deposits, is furnished below:

Sl.No.	State/Union Territory	No.of Cos.	Sl.No.	State/Union Territory	No. of Cos.
1.	Andhra Pradesh	5	12.	Maharashtra	9
2.	Assam	3	13.	Manipur	1
3.	Bihar	24	14.	Meghalaya	1
4.	Chandigarh	4	15.	Nagaland	1
5.	Delhi	14	16.	Orissa	13
6.	Haryana	3	17.	Pondicherry	1
7.	Himachal Pradesh	2	18.	Punjab	3
8.	Jammu & Kashmir	2	19.	Rajasthan	5
9.	Karnataka	11	20.	Tamil Nadu	5
10.	Kerala	1	21.	Uttar Pradesh	31
11.	Madhya Pradesh	3	22.	West Bengal	124
Total			266		

A Prohibitory Order is normally issued by RBI to a NBFC on occurrence of defaults in repayment of matured deposits/payment of interest on deposits or where the company is found to be insolvent, jeopardising the interests of depositors.

(e) According to RBI they have taken action against erring NBFCs against whom a large number of complaints regarding non-payment of deposits were received and on inspection, the companies were found to be insolvent. Accordingly, RBI have filed winding up petitions in the respective High Courts in the case of CRB Capital Markets Ltd., New Delhi, JVG Group of companies, New Delhi and Asia Pacific Investment Trust Ltd., Hyderabad. RBI have also launched prosecution proceedings in respect of JVG Finance Ltd., New Delhi, IVG Leasing Ltd., New Delhi, JVG Securities Ltd., New Delhi, Hoffland Finance Ltd., New Delhi, Asia Pacific Investment Trust Ltd. , Hyderabad, NITL Mutual Benefits Ltd., New Delhi Endowment Investment (I) Ltd., Chandigarh and Rockland Leasing Ltd., New Delhi In addition RBI have filed a police complaint for cheating the public under section 420 of IPC against Hoffland Finance Ltd., New Delhi.

RBI has been taking various steps to effectively monitor NBFCs.

(f) According to RBI, complaints regarding non payment of principal and/or interest have been received from depositors in respect of the following twelve non banking financial companies having their registered office in the state of Maharashtra.

1. Nath Capital and Financial Services
2. Vatsa Corporation Ltd.
3. DSJ Finance Corporation
4. Enrai Finance Ltd.
5. Synergay log-in-System Ltd. (formerly Synergy Credit Corporation Ltd)
6. Yash Mahanement & Finance Services
7. Worldink Finance Ltd.
8. Midwest India Industries Ltd.
9. Credential Finance Ltd.
10. CIFCO Finance Ltd.
11. Srushti Credit Capital Ltd.
12. Rossel Finance Ltd.

Applications for registration form the above companies, excluding Vatsa Corporation Ltd., Synergy Log-in System Ltd. and Enrai Finance Ltd have been rejected and the companies cannot undertake any financial activity (as defined in the RBI Act) any more. Besides, some of these companies have also been prohi-

bited earlier from accepting deposits from public. (The application received from Vatsa Corporation Ltd. is bing examined by RBI from legal angle. Synergy log-in System has since converted themselves as a non-banking non-financial company and it has been advised by RBI to repay the deposits accepted as a financial company. A show cause notice has been issued earlier to Enrai Finance Ltd. and presently the company's compliance with the order of Company Law Board is being watched).

In addition to the above action, several rounds of advertisements have been published by RBI to make general public aware about the framework for deposit acceptance by NBFCs.

Economic infrastructure project for North Eastern Region

233. SHRI W. ANGOU SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of economic infrastructure projects with foreign assistances/ loans cleared and likely to be cleared by Government for the North Eastern Region on State-wise basis with total amounts involved;

(b) whether it is a fact that due to the recent Nuclear test, these projects have bleak future; and

(c) if so, the steps taken by Government in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The information is given in the enclosed Statement.

(b) No, Sir.

(c) Does not arise.

Statement

Economic Infrastructure projects with foreign assistance/loans cleared and likely to be cleared by Government for the North Eastern Region

S.No.	Name of the Project	State(s)	Project Cost
1.	Assam Gas Turbine Power Project	Assam	Rs. 895 crore.
2.	Assam Rural Infrastrcture and Agricultural Development Project	Assam	US $ 146.6 million.
3.	Upgradation of Mizoram State Rural Roads Network	Mizoram	Rs. 693.17 crore.
4.	Turial HE Project	Mizoram	Rs. 448 crore.
5.	Improvement of Imphal-Ukrul Road Project	Manipur	Rs. 4.57 crore.
6.	Umiam Hydro Power Project	Meghalaya	Rs. 65.50 crore.
7.	North Eastern Region Community Resource Management Project for Upland Areas	Meghalya, Assam and Manipur.	US $ 33.20 million.

Net Bank Credit in Agriculture sector

234. SHRI PARAG CHALIHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Punjab National Bank, Punjab & Sind Bank, State Bank of India, Indian Overseas Bank, Bank of Baroda, Dena Bank, Un-